

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid-Up With 640 Acres Pooling Provision

# PAID-UP OIL AND GAS LEASE (No Surface Use)

THIS LEASE AGREEMENT is made this <u>27</u> day of <u>September</u>, 2010, by and between <u>James M. Bucek</u>, whose address is <u>717 Matthews Ct. Arlington. TX 76012</u>, as Lessor, and <u>AXIA LAND SERVICES, L.L.C.</u>, <u>801 Cherry Street, Suite 3850, Unit 39. Fort Worth. Texas 76102</u>, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described

land, hereinafter called leased premises:

Q.208, more or less, out of the W.W Warnell Survey, A-1615, Tarrant, County, Texas and being Lot 20. Block 1. Dardan Addition, according to the plat recorded at Volume 388-111, Page 7. of the Plat Records of Tarrant, County, Texas and being more particularly described in that certain WARRANTY DEED (CASH) dated SEPTEMBER 24.2002 from Michael A. Bucek and Johnnie Sue Bucek to James Bucek as recorded at Document No. D202282476 Official Public Records, Tarrant County, Texas

in the County of Tarrant, State of TEXAS, containing 0.208 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of three (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof

execute at Lesser's request any additional or supplemental instruments for a more complete or accurate description of the land to covered. For the purpose of determining the amount of any sharth royalities between force, which as a fault-up lease requiring no restals, shall be in force for a primary term of three (0) years from the data hered, and for as long three-lease and of the production hered.

3. Regalities on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Clescore as follows: (4) For oil and other lightly hydrocatnous production of the developed and several expendent of Lessee's expensation facilities, the royally shall be the beethy-five procedured. (25%) of the production hered the extensive of the production of the eveloped and the several production of the developed and the production of the developed and the several production of the three productions are several production. (4) For oil and other lightly hydrocatnous production of the several production of the terms of the several production and the several p

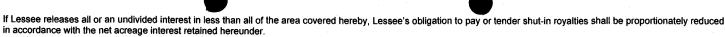
such part of the leased premises.

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferse to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written relea

the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released.

### Page 2 of 4



in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease, and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessore hereunder, without Lessor's consent, and Lessee shall pay for the lands used by Lessore herenunder, without Lessor's consent, and Lessee shall pay for the lands used by Lessore herenunder, without Lessor's consent, and Lessee shall pay for the lands used to the lands and offer some or other lands used by Lessore herenunder, without the sease depremises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by irreduction or other operations are so prevented, or by irreduction or other operations.

12. The condition of the land destruction or failure of purchasers or carrie

Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

17. Lessor, and their successors and assigns, hereby grants Lessee an option to extend the primary term of this lease for an additional period of 2 years from the end of the primary term by paying or tendering to Lessor prior to the end of the primary term the same bonus consideration, terms and conditions as granted for this lease.

18. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

19. See exhibit "A" for additional provisions to this lease.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

James M. Bucek  James M. Bucek	
STATE OF TEXAS  COUNTY OF  This instrument was acknowledged before me on the 27 d	ACKNOWLEDGMENT day of Section (2010, by
JESSE ALFONSO SALAIS Notary Public, State of Texas My Commission Expires February 29, 2012  STATE OF TEXAS	Notary Public, State of Texas A. Salais Notary's commission expires.  Telb 29th, 2010  RECORDING INFORMATION
County of	
This instrument was filed for record on the, recorded in Book, Page, of the	day of, 20, ato'clockM., and dulyrecords of this office.
	By Clerk (or Deputy)

**RETURN TO:** Axia Land Services, LLC 500 a. dorder Street, Suite 640 Arlington, Texas 76010

Page 3 of 4

**EXHIBIT "A"** 

#### **Additional Provisions**

It is agreed between the Lessor and Lessee that, notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this lease or by state law shall be without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and marketing the oil, gas and other products produced hereunder to transform the product into marketable form; however, any such costs incurred on an unaffiliated interstate or intrastate gas pipeline which result in enhancing the value of the marketable oil, gas or other products to receive a better price may be deducted from Lessor's share of production so long as they are based on Lessee's actual cost of such enhancements. In no event shall Lessor receive a price that is less than, or more than, the price received by Lessee.

RETURN TO: Axia Land Services, LLC 500 E. Border Street, Suite 640 Arlington, Texas 76010

#### SUZANNE HENDERSON

**COUNTY CLERK** 



100 West Weatherford Fort Worth, TX 76196-0401

PHONE (817) 884-1195

**AXIA LAND SRVS LLC 500 E BORDER STREET 640** ARLINGTON, TX 76010

Submitter: AXIA LAND SERVICES, LLC

## **DO NOT DESTROY** WARNING - THIS IS PART OF THE OFFICIAL RECORD.

Filed For Registration:

10/21/2010 8:31 AM

instrument #:

D210259965

LSE

4

**PGS** 

\$24.00

Denles

D210259965

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

Prepared by: DBWARD